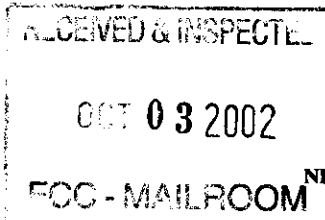


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Please Reply to: Newark

October 1, 2002

Via Federal Express

Magalie R. Salas  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Room TW-A325  
Washington, D.C. 20554

RE: Appeal, Universal Service Administrative Company August 23, 2002 Decision  
Docket Nos. 96-45 and 97-21

Dear Secretary Salas:

On behalf of Cooperative Communications, Inc. ("Cooperative") we write to appeal the decision of the Universal Administrative Service Administrative Company ("USAC") dated August 23, 2002, denying Cooperative's request to revise its previously-submitted Federal Communications Commission ("FCC") Form 499-A, reporting revenue earned from January 1 through December 31, 2000. Cooperative has attempted to revise the calendar year 2000 submission, as it incorrectly reports intrastate revenue as interstate revenue. The error has resulted in the federal government improperly garnishing from Cooperative more than \$325,000.00 in fees.

The USAC typically permits revisions to FCC Form 499-A up to one year from the date the document is submitted. The one year deadline to revise Cooperative's 2000 submission came about on April 1, 2002. Unfortunately, however, Cooperative was unaware of the error contained in the 2000 submission until April 18, 2002, when a USAC staff member informed Cooperative that it had incorrectly reported local calling and monthly service revenue (stated on line 404 of Form 499-A) as interstate, rather than intrastate revenue. The inadvertent error in that filing alone has cost Cooperative substantial fees which Cooperative would not have been obligated to pay had it

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Magalie R. Salas  
Office of the Secretary  
Federal Communications Commission  
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correctly reported its local calling and monthly service fees. As a result, Cooperative immediately submitted notice of the error to the USAC that same day (received by the USAC on April 26, 2002), only a few weeks after the revision deadline had passed. The USAC declined to permit Cooperative to revise its 2000 submission, and Cooperative submitted an appeal to the USAC on May 20, 2002. The appeal was denied on August 23, 2002, citing unyielding adherence to the one year deadline as the reason for the denial.

In fact, since the inception of the USAC and FCC tandem reporting requirements, Cooperative has incorrectly reported its local calling and monthly service fees as interstate, rather than intrastate, resulting in Cooperative's repeated overpayment of universal service fees to the United States government. As noted above, the most recent overpayment amounts to \$325,000.00 and constitutes a very significant problem for Cooperative, given its relative size and the difficulties it faces in competing with other providers. By comparison, Cooperative is a tiny telecommunications provider, generating only very modest revenues.

Although Cooperative made the same error in several filings from prior years, it has asked the USAC and now asks the FCC to permit the revision of only the submission corresponding to calendar year 2000. In light of Cooperative's repeated overpayments to the United States government, and the injustice that will surely result if Cooperative must forfeit an additional \$325,000.00 in overpayment, we respectfully request that you accept Cooperative's revisions to its calendar year 2000 Form 499-A submission.

We thank you in advance for your consideration and attention to this matter. Please direct any inquiries to the undersigned at (973) 491-3909.

Sincerely,

A handwritten signature in dark ink, appearing to read "Maria N. Maccone", followed by a long horizontal flourish line.

Maria N. Maccone

MNM